The Failures of Capitalism Pt.1

Defining What It Means for a System to "Work"

Introduction

Before evaluating capitalism—or any economic system—it is necessary to clarify what is meant when people say a system "works."

Claims that capitalism "works" are common, but they often rely on vague or unspoken assumptions: **economic growth, profitability, or personal success.** Without a clear definition, debates about capitalism become circular, with each side using different standards of evaluation.

This project begins by establishing a functional definition of what it means for a social and economic system to work. Only after defining these criteria can capitalism be meaningfully assessed.

The Problem with Common Definitions of "Works"

When defenders of capitalism claim the system works, they typically point to outcomes such as:

- GDP growth
- Market expansion
- Wealth creation
- Technological innovation

While these outcomes describe certain **system outputs**, they do not address whether the system functions well for human beings.

A system can produce large quantities of goods and wealth while simultaneously:

- Failing to meet basic human needs
- Generating widespread insecurity
- Requiring coercion to sustain participation

Therefore, **production alone is an insufficient metric for determining whether a system works.**

A Functional Definition of a "Working System"

For the purposes of this project, a social and economic system can be said to work if it meets the following criteria.

These criteria are descriptive and functional, not moral judgments.

1. Sustains Human Life

A working system must reliably provide the material conditions necessary for survival, including:

- Food
- Shelter
- Healthcare
- Clean water

Access to these necessities should be a baseline outcome of participation in society, not a conditional reward or privilege.

A system that produces abundance while failing to ensure survival for large portions of its population is functionally deficient.

2. Minimizes Preventable Suffering

Not all suffering can be eliminated. However, suffering that is:

- Predictable
- Systemic
- Reproducible

Counts against the system if it is not strictly necessary.

The key distinction is whether suffering arises from **unavoidable natural constraints** or from **institutional design**. When hunger, homelessness, or medical neglect

occur despite sufficient resources, the cause is structural rather than accidental.

3. Enables the Development of Human Capacities

Human beings possess a wide range of capacities, including:

- Creativity
- Cooperation
- Sociality
- Autonomy
- Problem-solving

A working system allows these capacities to develop rather than systematically suppressing them.

When survival depends on **obedience, overwork, or submission to arbitrary authority**, human capacities are constrained rather than organized.

4. Reproduces Itself Without Constant Coercion

A functioning system should not require continuous external pressure to maintain participation.

Indicators of coercion-dependence include:

- Threat of starvation or homelessness
- Mass incarceration
- Policing of poverty
- Debt-based survival

If people participate primarily because non-participation leads to severe suffering, the system is not self-sustaining—it is enforced.

5. Produces Outcomes Proportionate to Social Contribution

This criterion does not require perfect equality.

However, a working system must ensure that:

- Socially necessary labor is not impoverished or disposable
- Extreme wealth accumulation is not detached from actual contribution

When income and power are radically disconnected from the social value of work performed, the system exhibits structural imbalance.

6. Adapts Without Human Collapse

A working system must be capable of responding to major challenges—such as:

- Environmental crises
- Technological change
- Public health emergencies

—without producing mass suffering, authoritarianism, or collapse.

A system that becomes unstable whenever profits are threatened is brittle rather than resilient.

Conclusion: Why This Definition Matters

By defining what it means for a system to work, this project avoids moral accusation and instead focuses on outcomes and structure.

The question is not whether capitalism produces wealth, but whether it:

- Sustains human life
- Minimizes unnecessary suffering
- Enables human capacities
- Functions without coercion
- Produces proportional outcomes
- Remains adaptable and stable

If capitalism fails these criteria consistently and predictably, then its failure is structural rather than incidental.